



Department of Commerce

Innovation is in our nature.

Clean Energy Fund Research & Development and Demonstration Match Program

Solicitation for Applications: Program Summary & Application Guidelines

SUMMARY

The Department of Commerce, Energy Office is seeking applications for the Research & Development and Demonstration Program (R&D/D or “Program”) from entities seeking to obtain match requested by non-state funders for clean energy technology projects.

At a minimum, non-state funds will match state R&D/D funds at a 1:1 ratio, although a higher ratio of leverage is desired and will be considered during competitive prioritization and ranking. Private capital, shared-equipment, and other non-state assets which are dedicated to the project are allowed for both match and leverage. Program funds must be used to develop and acquire capital assets having a 13+ year lifespan. It is expected that the projects will be completed within 24-36 months of the R&D/D match award.

R&D/D PROGRAM OVERVIEW

The Program was created by the Washington State Legislature through the Clean Energy Fund to support Washington’s research institutions, organizations, and clean energy technology companies while:

- Providing a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state;
- Increasing the competitiveness of Washington-based research entities by providing cost-share funding assistance, without which they would be unable to compete for non-state funding sources; and
- Developing and strengthening relationships and new technologies in the clean energy sector.

Legislation identifies that eligible projects include but are not limited to advancing energy storage and solar technologies, advance bioenergy, developing new lightweight materials, and advancing renewable energy & energy efficiency technologies.

ELIGIBILITY

Applicants:

- The applicant must be a Washington-based research institution, non-profit/ non-governmental organization, or private business pursuing clean energy technology research, development and/or demonstration; and
- Show significant in-state presence through primary Research & Development/ Demonstration operations for the proposed project.

Projects must:

- Develop or acquire capital asset(s) with a 13+ year life, to be located in the state of Washington
- Demonstrate benefit to Washington
- Develop or demonstrate eligible clean energy technologies which:
 - Have previously demonstrated viability but are not yet ready for commercialization; or
 - Expand existing technologies through innovation such as novel configuration or increased efficiencies.
- Depend on a request and approval of funding from a non-state source or sources.

CLEAN ENERGY FIT

A “clean energy technology” increases energy efficiency, or generates renewable energy, or provides infrastructure enabling either. Note that coal, oil, and natural gas (except when used in fuel cells, compressed air energy and other energy storage systems, or combined heat and power), are not eligible for Clean Energy Fund R&D/D match funding.

Clean Energy Technology Category (check all that apply)	<input type="checkbox"/> Demand response <input type="checkbox"/> Energy conservation <input type="checkbox"/> Solar power <input type="checkbox"/> Wind power <input type="checkbox"/> Geothermal <input type="checkbox"/> Wave/tidal/current energy <input type="checkbox"/> Advanced hydropower <input type="checkbox"/> Energy storage <input type="checkbox"/> Biofuels and bioenergy <input type="checkbox"/> Renewable, biodegradable chemicals <input type="checkbox"/> Advanced thermal-to-energy conversion <input type="checkbox"/> Hydrogen	<input type="checkbox"/> Fuel cells <input type="checkbox"/> Carbon capture/sequestration <input type="checkbox"/> Energy monitoring <input type="checkbox"/> Demand-side management <input type="checkbox"/> Combined heat and power <input type="checkbox"/> Developing new lightweight materials <input type="checkbox"/> Other technology powered by the sun, wind, water, biomass, alcohol, wood, fuel cells, or any renewable, non-depletable or recyclable fuel <input type="checkbox"/> Other <u>[insert description here – 10 words maximum]</u>
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Funding

\$9.7 M will be made available for Research & Development and Demonstration match grants with up to \$1M designated to assist small businesses (<50 employees). The minimum request is \$50,000. The maximum grant amount for a single project is \$2.5 M, unless Commerce, in its sole discretion, waives the maximum in order to enable a particularly compelling project or package of inter-related projects from collaborating entities. In no case will match exceed the unreserved amount of available matching funds. R&D/D match can be requested to meet match or cost-share requested by any non-state funding source for eligible clean energy technology Research & Development or Demonstration. Washington state programs that distribute federal funds (*i.e.* the State Energy Program) are not eligible as non-state funding sources.

APPLICATION SOLICITATION

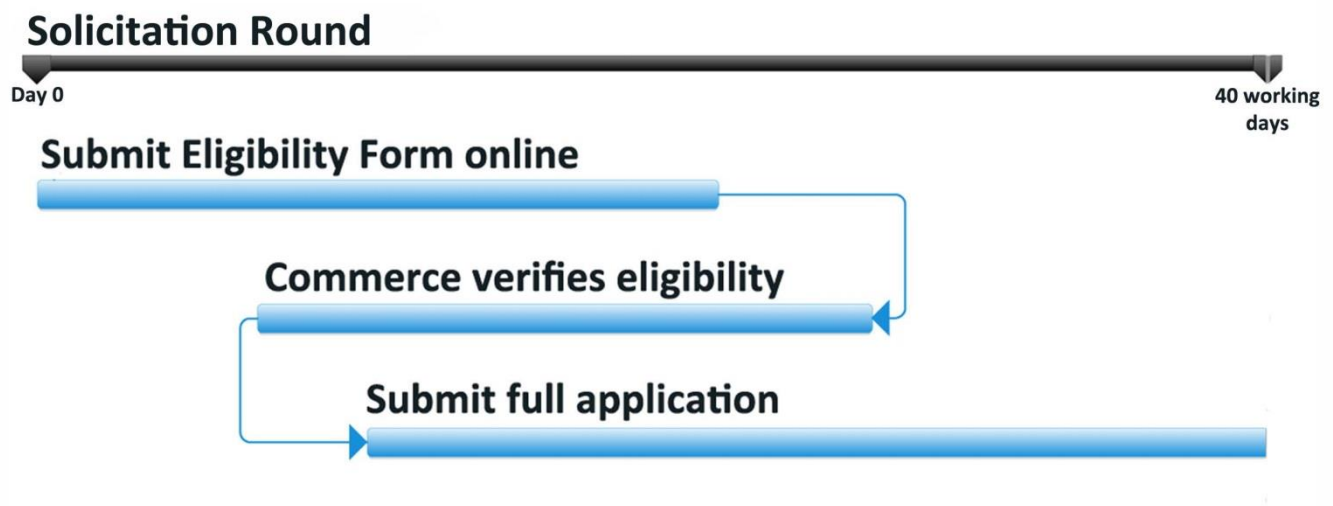
Applications for the R&D/D Match Program will be accepted in open solicitation windows. Commerce will provide a webinar, workshop or Bidder’s Conference early in the solicitation period to review guidelines, the application, and answer questions potential applicants may have. Once the solicitation period opens, applicants may not contact Commerce staff to discuss their projects but can submit non-project specific questions by email to energy_policy@commerce.wa.gov. Questions and answers will be updated regularly on Commerce’s Clean Energy Fund [webpage](#). Applicants may submit up to three (3) applications per funding round. The due date for non-state

funding source being matched must be before the next R&D/D funding round opens. Occasionally funding sources provide conditional approval subject to obtaining match that was not required with the original application (i.e., Phase 2 Small Business Grants). Commerce will make case-by-case eligibility determinations for applicants requesting match for a non-state award that has already been approved. Match requests cannot supplant (displace) prior or existing match commitments and are intended to allow applicants to go after non-state funding where they would be unable to do so without the R&D/D match grant.

Round 1 - \$5 M - solicitation opens January 6, 2016 – applications due by midnight **February 29, 2016** with eligibility determination questions submitted no later than February 24

Round 2 - \$2.5 M - solicitation opens May 20, 2016 – applications due by midnight **July 15, 2016** with eligibility determination questions submitted no later than July 10

Round 3 - \$2.2 M - solicitation opens November 1, 2016 – applications due by midnight **December 30, 2016** with eligibility determination questions submitted no later than December 25



APPLICATION PROCESS

You will need to [open an account and log in](#) to fill out the online Application. There is no cost to do so.

Eligibility Determination –Applicants must submit this information no later than **5** calendar days prior to the application deadline and are encouraged to submit early in the solicitation. Applicant must answer yes to all questions in order to be determined to be eligible. Applicant may explain any "no" response in case there is a misunderstanding or misinterpretation of the question. Commerce will verify by UBI registration or TAX number that the organization is registered and based in the State of Washington. Commerce will verify eligibility or provide notice of ineligibility within 5 calendar days of submittal. Ineligibility determination must be appealed by email within 2 working days of ineligibility notification to energy_policy@commerce.wa.gov.

1. Is the applicant a research institution, non-profit/ non-governmental organization, or private business based in the State of Washington? ☐ Yes ☐ No
 - a. If yes, please provide your UBI and Tax Numbers _____
 - b. If no, please explain:

2. Will applicant's primary Research& Development/ Demonstration operations be conducted in the State of Washington? ☐ Yes ☐ No If no, please explain:
3. Does the project fall under one or more of the eligible clean energy technology categories? ☐ Yes, ☐ No If no, please explain:
4. Will the R&D/D match requested be used to develop or acquire capital asset(s) with a 13+ year lifespan and will the capital assets be located in the State of Washington?: ☐ Yes ☐ No If no, please explain:
5. Will the R&D/D grant match the non-state funding source at a ratio of at least 1:1?: ☐ Yes ☐ No If no, please explain:

Commerce staff will let the applicants know if they are eligible or not within 5 days of submittal. Applicants are encouraged to complete the eligibility determination section early in the solicitation period to provide ample time for developing the application itself and to allow for appeal time if determined to be ineligible. Ineligibility determination must be appealed by email within 2 work days hours of ineligibility notification to energy_policy@commerce.wa.gov. The State Energy Office Director will make the final decision for appeals.

Only applicants determined to be eligible will be able to proceed. ZoomGrants online application does not allow for submittal of incomplete applications.

Project Evaluation & Prioritization

Commerce will review the application and uploaded documents and consult with a team of national experts in clean energy technology having no conflicts of interest. Reviews will be based solely upon documents provided as part of the application. Commerce reserves the right to request additional information, particularly if the applicant has requested that we waive the \$2.5M maximum grant limit. There will be no opportunity provided for the applicant to make presentations or demonstrations. Commerce reserves sole discretion to make all final funding decisions. Commerce intends to announce match reserve award during the month following the solicitation deadline.

The review team will assist with:

1. Evaluation of the proposed project's technical merit and applicant credentials and track record. This includes ensuring that the technology is not yet commercially available, *or* the project uses commercially available components in novel configurations and/or increases efficiencies to support innovation in the clean energy industry. The team will evaluate the merit of each proposal; and prioritize applications as "High", "Medium" or "Low" for reserving match pending non-state funding award.
2. Prioritization will consider the following:
 - a. Does the project advance energy storage and solar technologies, advance bioenergy, develop new lightweight materials, or advance renewable energies and energy efficiency technologies? Of particular interest are R&D/D projects which advance:
 - i. Clean transportation, including new lightweight materials
 - ii. Integration of distributed renewables in the state's energy system;
 - iii. Marine energy
 - iv. Deploy new or novel energy efficiency technologies;
 - v. No and low carbon technologies
 - b. Requested match will be leveraged by non-state funding (whether public, private or other) at a significantly higher ratio than the 1:1 minimum required. Of particular interest is a demonstration by the applicant that

they have “skin in the game” through cash, in-kind, cost-shared equipment or other volunteered assets. For small businesses, prioritization will also look for other private or non-profits investments.

- c. One or more Washington state clean energy sector companies, including especially manufacturers, contribute significantly to the project budget;
- d. Directly create and maintain job opportunities and spur growth in the Washington clean energy sector; or indirectly create and maintain job opportunities and increase state revenues of Washington businesses that are part of the supply chain or service sector providing the raw materials, systems, discrete components, hardware and software, technical and professional services, etc. that Washington clean energy sector companies used to support the R&D/D project;
- e. The applicant expects to receive formal notice of award from the non-state funder within 30 days of the application deadline.
- f. Continuation to the next Phase for R&D/D projects provided they are meeting current Phase contract obligations.
- g. Clearly demonstrates public benefit by: saving energy and reducing energy costs, reducing harmful air emissions or otherwise increasing energy independence for the state.

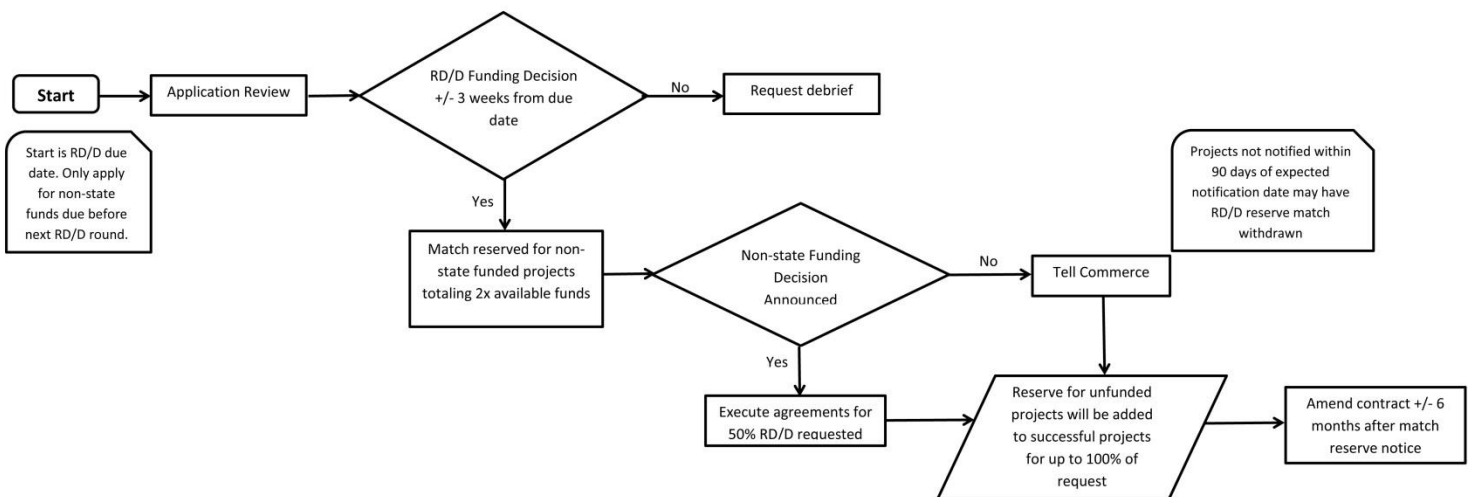
R&D/D Scoring Evaluation Matrix	Points
Project Technical Merit	50-53
<u>1.0 Innovation/Advancement of clean energy technology</u> – Highest scores will go to potentially “game changing” technologies that improve the economics of renewables, maximize energy efficiency savings, and reduce environmental impacts. (50 points maximum even if more than one of the following bullets is included).	
<ul style="list-style-type: none"> Research and Development – New technologies - Viability has been demonstrated but is not yet commercially available. Research and Development – Existing technology must advance through novel configurations and/or increased efficiencies. Demonstration Projects – May demonstrate technology that has been demonstrated internationally but not yet domestically. Not intended to demonstrate technologies that are simply not yet available at a regional level. 	
<u>1.1 Priority R&D/D topics</u> – Bonus points will be added to projects which advance one or more of the following categories: clean transportation (includes lightweight materials if applicable), integration of distributed renewables into the state’s energy system, marine energy, transition petroleum/hydrocarbon to no or low carbon technologies (3 bonus points)	
Applicant/Team Evaluation	10
<u>2.0. Demonstrated R&D/D Expertise</u>	
Applicant can demonstrate they have the expertise needed to implement the proposed project: (provide examples of past or present R&D/D projects, R&D/D partnership with research institutions or national labs, relevant patents or licenses, academic publication on R&D/D topic, etc.) (6 points maximum)	
<u>2.1 Education & Skills</u> Principal project participants (have the education, skills needed to implement the project). Project organization and role(s). (4 points maximum)	
Project Implementation	15
<u>3.0 Project Management</u> - Does the Scope of Work schedule appear realistic? Will the project be completed within 24-36 months of award? Does the applicant have organizational capacity (including partnerships) to implement the project? (9 points maximum)	
<u>3.1 Project Budget</u> - Is the budget detail sufficient and does it clearly identify the capital asset(s) (including ancillary costs) which the R&D/D match funds will go towards? Do they have a reliable contingency plan to address gap if less than 100% of requested R&D/D match is provided? (6 points maximum)	
Washington Benefit	25-28
<u>4.0 Public Benefit*</u> –Score based on potential benefit to Washington State, its residents, businesses, and institutions. Includes factors such as involvement of and benefit to Washington state businesses, especially manufacturing; projected cost savings for business and residents; environmental benefit; potential for job creation, or other as supported. Do the estimates appear realistic and substantiated or overly optimistic? (20 points maximum)	
<u>4.1 Match Leverage</u> - Requested match will be leveraged by non-state funding (whether public, private or other) at a higher ratio than the 1:1 minimum required. Required contingency plan for up to 50% match is not considered as leverage. Of particular interest is a demonstration by the applicant that they have “skin in the game” through cash, in-kind, cost-shared equipment or other volunteered assets. For small businesses, other private or non-profit investments are particularly of interest. (5 points maximum)	
<u>4.2 Expediency/Continuation</u> – Bonus points (3) will be provided for projects anticipated to receive formal notice of non-state funding award within 30 days of the application due date and/or that continue a phased R&D/D project. Commerce will consult with the non-state funder to determine whether this is a realistic expectation and/or that a phased project is ready to proceed to the next phase.	
TOTAL POINTS	100 - 106

* To waive the \$2.5M ceiling, applicant must clearly demonstrate that the project will result in SIGNIFICANT benefits in the next 5 years (i.e. energy savings/clean energy production, GHG reductions, business development/expansion, permanent jobs) and inability to phase to stay within the \$2.5M ceiling.

R&D/D Funding Award

Match Reservation

Commerce intends to award Match Reserve for projects totaling approximately double the amount of match funding designated for each funding round. This provides the greatest number of projects opportunity to obtain match assistance. Commerce will notify successful applicants and will execute a contract for 50% of the requested match once the applicant receives notice of non-state funding award. The ultimate R&D/D match total is likely to increase as other approved projects do not receive non-state awards. However, to be safe, applicants will need to make contingency plans for alternate funding to allow the project to proceed in the event that less than the full requested match is provided due to a very high success rate for the other projects within the Match Reserve. If more than 50% of the R&D/D match is ultimately awarded, Commerce will not consider this to be a supplanting of contingency match.



Commerce reserves the right to continue down the prioritized list to make additional match reserve awards or to carry funds over to a subsequent round if it appears that the projects which receive non-state funding award will be unable to use all funds available for that round. Once all match reserve projects in a funding round have either been approved, denied, or have been withdrawn, remaining reserve match for each round will be divided and awarded to the remaining approved R&D/D applicants (in no case will more than 100% of the requested match be provided). Program funding at the end of the biennium (June 30, 2017) is subject to Legislative re-appropriation.

Projects that receive reduced non-state funding will have their match reduced, as needed, to maintain the required 1:1 match/non-state funding source ratio. Applicants that do not receive formal award notification within 90 days of the anticipated award date may be withdrawn from the match reservation list or drop to a lower priority for funding. Applicants must notify Commerce of non-state award decisions—either yay or nay—within 3 business days of notification. Unfunded applicants may re-apply in future rounds but will not retain their match reservation to look for other non-state fund sources.

Contracting and Payment

Successful applicants will enter into a performance based grant contract with the Department of Commerce upon confirmation of non-state funding award. Payments will be made upon submittal of an A-19 invoice along with presenting evidence that invoiced deliverable(s) have been met. R&D/D grant recipients must agree to remain in-state for a specified minimum period (3-year minimum which may be adjusted upward based upon the total of the R&D/D award) or repay Commerce provided match funds immediately upon notice.

Recipient Reporting

Recipients of Match Outlays will be expected to report to Commerce on no less than a quarterly basis regarding progress of the funded project, as well as project outcomes upon completion of the project. Reporting requirements may be met by providing Commerce with a copy of relevant reports submitted to the non-state funder(s).

NOTICE OF PUBLIC DISCLOSURE

The applicant acknowledges that Commerce is subject to the Public Records Act (Chapter 42.56 RCW) and that the application and any future contract is a public record as defined in Chapter 42.56 RCW. Any specific information that is claimed by the applicant to be Proprietary Information must be clearly identified as such by the applicant. "Proprietary Information" means information owned by the applicant to which the applicant claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws. To the extent consistent with Chapter 42.56 RCW, Commerce will maintain the confidentiality of all such information marked Proprietary Information. If a public disclosure request is made to view the applicant's Proprietary Information, Commerce will notify the applicant of the request and of the date that such records will be released to the requester unless the applicant obtains a court order from a court of competent jurisdiction enjoining that disclosure. If the applicant fails to obtain the court order enjoining disclosure, Commerce will release the requested information on the date specified.

DISCLAIMER

This Solicitation does not commit Commerce to award any funds, pay any costs incurred in preparing an application, or procure or contract for services or supplies. Commerce reserves the right to accept or reject any or all applications received, negotiate with qualified applicants, cancel or modify the Solicitation in part or in its entirety, or change the application guidelines.

This Solicitation has been distributed electronically using Commerce's website. It is the applicant's responsibility to check the website for any addenda or modifications to a Solicitation to which they intend to respond. Commerce accepts no liability and will provide no accommodation for applicants who submit an application based on an out-of-date Solicitation document.

CONTACT INFORMATION

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Phone: 360-725-3122 Email: patti.miller-crowley@commerce.wa.gov

Please submit all questions via email to energy_policy@commerce.wa.gov. "R&D/D Question" should appear in the subject line. Answers will be posted publicly on a regular basis.